

SENATE BILL 980

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11r3107

By: **Senator Middleton**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 9, 2011

Assigned to: Rules

Re-referred to: Finance, March 14, 2011

Committee Report: Favorable

Senate action: Adopted

Read second time: March 24, 2011

CHAPTER _____

1 AN ACT concerning

2 **Credit Unions – Boards of Directors – Electronically Conducted Elections**

3 FOR the purpose of authorizing the election of the board of directors of a credit union
4 to be conducted electronically under certain circumstances; requiring the
5 secretary of a credit union, for an election of directors conducted electronically,
6 to provide certain information and a certain identification form to certain
7 members of the credit union as provided in regulations adopted by the
8 Commissioner of Financial Regulation; requiring the Commissioner to establish
9 by regulation procedures for conducting an election of directors electronically;
10 making certain conforming and stylistic changes; and generally relating to
11 elections of the board of directors of a credit union.

12 BY repealing and reenacting, with amendments,
13 Article – Financial Institutions
14 Section 6–329(a), (d), and (f)
15 Annotated Code of Maryland
16 (2003 Replacement Volume and 2010 Supplement)

17 BY adding to
18 Article – Financial Institutions
19 Section 6–329(i)
20 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2003 Replacement Volume and 2010 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article – Financial Institutions**

5 6–329.

6 (a) Subject to the provisions of this section, the directors may be elected
7 exclusively by mail ballot **OR ELECTRONICALLY IN ACCORDANCE WITH**
8 **REGULATIONS ADOPTED BY THE COMMISSIONER**, if:

9 (1) The board of the credit union, by resolution posted conspicuously at
10 the principal office of the credit union at least 90 days before the annual meeting of
11 the members of the credit union, [~~authorize~~] **AUTHORIZES** the election of directors
12 exclusively by mail ballot **OR ELECTRONICALLY**; or

13 (2) (i) The bylaws provide for the election of directors exclusively
14 by mail ballot **OR ELECTRONICALLY**; and

15 (ii) Notice of the election and the annual meeting is posted
16 conspicuously at the principal office of the credit union at least 90 days [~~prior to~~]
17 **BEFORE** the date of the annual meeting.

18 (d) (1) When only one member is nominated for a position to be filled, the
19 chairman may:

20 (i) Take a voice vote; or

21 (ii) Declare the nominee elected by general consent or
22 acclamation at the annual meeting.

23 (2) If the nominations of the nominating committee and any
24 petitioners provide more than one nominee for each directorship to be filled, the
25 secretary:

26 **(I) FOR AN ELECTION OF DIRECTORS CONDUCTED BY MAIL**
27 **BALLOT**, shall mail to each member in good standing, at least 20 days before the
28 annual meeting:

29 **[(i)] 1.** A printed ballot, clearly identified as a ballot, on
30 which appears the name of each nominee, in alphabetical order, and on which, in the
31 form that the board approves, may appear after a nominee's name:

1 [1.] A. A brief statement of the nominee's
2 qualifications and biographical information; and

3 [2.] B. If applicable, a notation that the nominee is the
4 incumbent;

5 [(ii)] 2. A postage prepaid and preaddressed envelope clearly
6 marked with instructions to place the completed ballot and the identification form in
7 the envelope and seal the envelope; and

8 [(iii)] 3. An identification form to be completed to include the
9 name, address, signature, and credit union account number of the voter; AND

10 (II) FOR AN ELECTION OF DIRECTORS CONDUCTED
11 ELECTRONICALLY, SHALL PROVIDE THE INFORMATION AND IDENTIFICATION
12 FORM REQUIRED UNDER ITEM (I) OF THIS PARAGRAPH AS PROVIDED IN
13 REGULATIONS ADOPTED BY THE COMMISSIONER.

14 (3) One form may be printed OR PROVIDED ELECTRONICALLY that
15 represents a combined ballot and identification form.

16 (f) The tellers of an election may not count a ballot unless it is:

17 (1) Mailed OR ELECTRONICALLY SUBMITTED to the tellers; and

18 (2) Received by the tellers not later than midnight of the 7th day
19 before the date of the annual meeting.

20 (I) THE COMMISSIONER SHALL ESTABLISH BY REGULATION
21 PROCEDURES FOR CONDUCTING AN ELECTION OF DIRECTORS
22 ELECTRONICALLY, INCLUDING PROCEDURES FOR:

23 (1) PROVIDING NOTICE OF THE ELECTION TO EACH MEMBER IN
24 GOOD STANDING;

25 (2) PROVIDING THE INFORMATION AND IDENTIFICATION FORM
26 SPECIFIED IN SUBSECTION (D)(2)(I)1 OF THIS SECTION;

27 (3) PROVIDING INSTRUCTIONS ON HOW TO ACCESS AND USE THE
28 ELECTRONIC ELECTION SYSTEM; AND

29 (4) ALLOWING A MEMBER TO OPT OUT OF USING THE
30 ELECTRONIC ELECTION SYSTEM AND VOTE BY MAIL BALLOT.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2011.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.